

Message Text

LIMITED OFFICIAL USE

PAGE 01 TEHRAN 08199 241207Z

46

ACTION EB-07

INFO OCT-01 NEA-10 IO-10 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

AF-06 ARA-06 EA-07 EUR-12 XMB-02 OPIC-03 /137 W

----- 054149

R 241046Z AUG 75

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 3106

INFO USDEL MTN GENEVA

LIMITED OFFICIAL USE TEHRAN 8199

EO 11652: NA

TAGS: ETRD

SUBJ: MULTILATERAL TRADE NEGOTIATIONS(MTN)- COUNTRY PROFILES

REF: STATE 181868

1. IRAN HAS NOT BEEN A PARTICIPANT IN EITHER GATT OR MTN, AND SINCE GOI'S SPECIFIC INTENTIONS FOR FUTURE WERE NOT KNOWN TO POST, EMBOFF CALLED ON CYRUS SABOURI, DIRECTOR GENERAL FOR RESEARCH AND INTERNATIONAL AFFAIRS, MINISTRY OF COMMERCE, TO OBTAIN SOME BACKGROUND.

2. ACCORDING SABOURI, GOI DOES NOT INTEND TO BECOME A PARTICIPANT IN MTN FOR 2-5 YEARS, BUT MAY SEND REPRESENTATIVE TO THIS YEAR'S MEETINGS IN OBSERVER STATUS. DESPITE IRAN'S NON-PARTICIPATION, POST ASSUMES DEPARTMENT STILL WISHES SOME ABBREVIATED PROFILE MATERIAL.

3 ECONOMIC AND POLITICAL BASIS FOR IRAN'S MTN APPROACH:
PRIMARY RATIONALE FOR GOI NON-PARTICIPATION IN MTN IS THAT IRAN'S INDUSTRIAL PRODUCTION IS PRESENTLY NOT COMPETITIVE IN INTERNATIONAL
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TEHRAN 08199 241207Z

MARKETS. GOI, HAVING NOTHING TO SWAP AT MTN, BELIEVES IRANIAN

PARTICIPATION AT PRESENT TIME IS ACROSS-THE-BOARD MULTILATERAL TARIFF REDUCTIONS WOULD BE ALMOST COMPLETELY HARMFUL WITH FEW, IF ANY, BENEFITS. PROTECTION OF INFANT INDUSTRY, PARTICULARLY IN THE CASES OF MORE SOPHISTICATED MANUFACTURED GOODS, WILL REMAIN A CARDINAL GOI POLICY FOR SOME TIME TO COME. LOOKING TO FUTURE, A MAJOR GOI GOAL IS TO ACHIEVE INDUSTRIAL BASE WHICH WILL ALLEVIATE PRESENT HEAVY IMPORT BILL AND ACHIEVE DEGREE OF SELF SUFFICIENCY AS WELL AS PROVIDE SOURCE FOREIGN EXCHANGE EARNINGS. MOST GOI ECONOMIC/COMMERCIAL POLICY IS AIMED AT ATTAINING THIS GOAL, INCLUDING VARIOUS BILATERAL ECONOMIC AGREEMENTS WHICH CALL FOR INCREASED FOREIGN INVESTMENT AND TECHNICAL ASSISTANCE AND MAJOR GOVERNMENTAL INFRASTRUCTURE INVESTMENTS. GOI EXPECTS GATT AND MTN MEMBERSHIP TO BE BENEFICIAL AT FUTURER TIME WHEN IRANIAN INDUSTRY BECOMES COMPETITIVE(SABOURI'S SOMEWHAT OPTIMISTIC PREDICTION WAS FIVE YEARS), AND IN THIS FRAME OF REFERENCE, GOI INTENDS FOLLOW UPCOMING MTN MEETINGS, POSSIBLY BY SENDING OBSERVER.

4. IRANIAN POLICIES AND MECHANISMS TO ACHIEVE TRADE OBJECTIVES:

(A) INTENT AND EFFECT OF GOI TARIFF POLICY IS PROTECTION OF DOMESTIC INDUSTRIES, FEW OF WHICH WOULD BE COMPETITIVE IF GOI HAD MORE LOBERAL TRADE POLICY. POLICY IS EQUALLY AIMED AT PROMOTING FOREIGN AND DOMESTIC INDUSTRIAL INVESTMENT. DUTIES ARE NO LONGER SIGNIFICANT SOURCE OF REVENUE EARNING. GOI, LIKE MANY DEVELOPING COUNTRIES, FREQUENTLY USES MECHANISM OF TARIFF REDUCTION AND NTB LIBERALIZATION TO ALLEVIATE SHORTAGES OF BASIC ITEMS(NOTABLY FOOD COMMODITIES AND CONSTRUCTION MATERIALS AND EQUIPMENT) AND TO COMBAT INFLATIONARY PRESSURES IN CERTAIN CONSUMER SECTORS.

(B) IN GENERAL, NTB POLICY REINFORCES ABOVE. GOI SUBSIDIES FOR IMPORTED AND DOMESTICALLYAGROWN COMMODITIES RUN ABOUT \$1 BILLION PER YEAR.

(C) IRAN, PAKISTAN AND TRUKEY ARE SIGNATORIES OF A REGIONAL COOPERATION FOR DEVELOPMENT(RCD), WHICH CALLS FOR INCREASED TRADE BUT WHICH DOES NOT PROVIDE MUTUAL TARIFF REDUCTIONS OR CUSTOMS UNION; PRIMARY PURPOSE OF AGREEMENT WAS POLITICAL SINCE INDUSTRIAL/ AGRICULTURAL OUTPUT OF ALL THREE COUNTRIES IS VERY SIMILAR AND LITTLE BASIS FOR EXPANDED TRADE EXISTS. A MAJOR GOAL OF GOI COMMERCIAL POLICY IS EEC ASSOCIATION(ACCORDING ISRAELI MODEL); MAIN INTENT HERE IS TO ACHIEVE PREFERENCE FOR INDUSTRIAL PORDUCTS IN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TEHRAN 08199 241207Z

NEAR FUTURE WHEN THE COUNTRY WISHES TO BE ABLE TO EXPORT COMMODITIES SUCH AS COPPER AND PETROCHEMICAL PRODUCTS. REGARDING HOST OB BILATERAL AGREEMENTS WHICH IRAN HAS SIGNED WITH INDUSTRIALIZED COUNTRIES, MAIN OBJECTIVE ON IRANIAN SIDE HAS BEEN TO PROMOTE FOREIGN INVESTMENT, ESPECIALLY IN HEAVY INDUSTRY, WITH TECHINCAL ASSISTANCE AND EXCHANGE AS A SECONDARY OBJECTIVE.

(D) GENERALLY MONETARY AND EXCHANGE RATE POLICIES ARE NOT USED AS SUBSTITUTES FOR SPECIFIC TRADE POLICY MEASURES.

(E) NO OTHER MAJOR POLICY INSTRUMENTS.

5. KEY AGENCIES IN IRANIAN TRADE POLICY FORMULATION: AGENCIES RESPONSIBLE FOR OVERALL POLICY IN RELATIVE ORDER OF INFLUENCE ARE MINISTRY OF COMMERCE(OFFICE OF REGULATIONS, OFFICE OF FOREIGN TRADE), MINISTRY OF ECONOMIC AFFAIRS AND FINANCE(CUSTOMS DEPARTMENT, INVESTMENT DEPARTMENT) AND CENTRAL BANK(CREDIT DEPARTMENT, RESEARCH DEPARTMENT). OTHER MINISTRIES HAVE SPECIFIC RESPONSIBILITIES IN FORMULATING TRADE POLICY AFFECTING ITEMS UNDER THEIR JURISDICTIONS, AND NOTEWORTHY EXAMPLES HERE INCLUDE MINISTRY OF AGRICULTURE AND MINISTRY OF ECONOMIC AFFAIRS AND FINANCE, THE LATTER WITH PARTICULAR REGARD TO PROTECTION OF JOINT-VENTURE AND DOMESTIC INVESTMENTS. IN ADDITION, IRAN CHAMBER OF COMMERCE, INDUSTRIES AND INES HAS SOME INPUT, AND CHAMBER OFFICIALS MEET WITH MINISTRY OF COMMERCE OFFICIALS ON REGULARLY SCHEDULED BASIS DURING SIX MONTH PERIOD BEFORE EXPORT/IMPORT REGULATIONS ARE ANNOUNCED.

6. KEY PERSONNEL: IT APPEARS THAT THE POSITION, AS OPPOSED TO THE INDIVIDUAL, GOVERNS THE RELATIVE IMPORTANCE IN FORMULATING TRADE POLICY. PRESENT KEY PERSONNEL ARE: AHMAD MEMARZADEH, UNDER-SECRETARY FOR FOREIGN TRADE, MINISTRY OF COMMERCE; ALI-REZA AROUZI, UNDERSECRETARY FOR FOREIGN AFFAIRS AND RESEARCH, MINISTRY OF COMMERCE(AROUZI MAY BE TAPPED AS IRAN'S OBSERVER FOR THE UPCOMING GENEVA MEETINGS); HASSAN-ALI MEHRAN, DEPUTY MINISTER OF ECONOMIC AFFAIRS AND FINANCE; JAVAD VAFA, UNDERSECRETARY FOR INTERNATIONAL AFFAIRS, MINISTRY OF ECONOMIC AFFAIRS AND FINANCE; AHMAD KOOROS, UNDERSECRETARY FOR ECONOMIC AFFAIRS, MINISTRY OF ECONOMIC AFFAIRS AND FINANCE; JALIL SHORAKA, DEPUTY GOVERNOR, CENTRAL BANK OF IRAN; SHAHPUR M. SHIRAZI, DIRECTOR GENERAL, INTERNATIONAL AFFAIRS DEPARTMENT, CENTRAL BANK OF IRAN.

HELMS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL PRODUCTION, INTELLIGENCE COLLECTION, TRADE AGREEMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TEHRAN08199
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750293-0144
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750822/aaaaatde.tel
Line Count: 145
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 181868
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUN 2003 by CunninFX>; APPROVED <06 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MULTILATERAL TRADE NEGOTIATIONS(MTN)- COUNTRY PROFILES
TAGS: ETRD, IR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006